



Mare Island Historic Park Foundation, Inc.

328 Seawind Drive
Vallejo, CA 94590
Phone (707) 557-1538

September 12, 2007
The Honorable David E. Powers
Presiding Judge of the Superior Court
Solano Superior Court
600 Union Ave.
Fairfield, CA. 94533

Reference: 2006-2007 Grand Jury Report Entitled: City of City of Vallejo and Mare Island Historic Park Foundation (MIHPF), Preservation of St. Peter's Chapel and Other Historic Properties. Report Date: June 12, 2007

Dear Judge Powers,

In response to the Foreman of the 2006-2007 Solano Grand Jury's letter of June 12, 2007, the following responses are provided:

Finding 1- Portions of Mare Island have been designated as National, State, and City Landmarks, including St. Peter's Chapel, Quarters A and B, and Building 46- the Smithery.

Recommendation 1- Every effort should be made to maintain and support these most significant historic properties on Mare Island.

MIHPF Response: The Foundation concurs with the Grand Jury's recommendation. The MIHPF has implemented the Grand Jury's recommendation by following the Secretary of the Interior's standards for the care of Historic Property. Major changes to the properties require a Certificate of Appropriateness from the Planning Department of the City (City) of Vallejo's Architectural Heritage Commission. The MIHPF has performed in accordance with agreements and leases with the City. These agreements are further described in detail in following responses, but in general require the properties to be maintained. In 2003, the City presented the MIHPF a set of complaints, which appear to be the same as those, presented to the Grand Jury. The MIHPF responded to these complaints in a detailed report and the City Staff concurred that our response was acceptable and no further action was required. (See Appendix item 1.-Letter. from Alvaro da Silva, retired Manager, Vallejo Economic Development Manager, "Landlord" to the MIHP for over 10 years.)

Finding 2- The extent and nature of any underlying structural issues, which may threaten the preservation of St. Peter's Chapel, is beyond the expertise of the Grand Jury. Experts presently disagree as to whether these windows are in imminent danger or whether it is sufficient to develop a long-term plan for their permanent preservation.

Recommendation 2- The City of Vallejo should make public the Historic Structure Report when it is completed. The City of Vallejo, as the ultimate owner of St. Peter's Chapel, is responsible for its preservation and should consider all options, be they public, private, local, state or federal, to ensure that the Chapel is properly cared for and made accessible to future generations.

MIHPF Response: The MIHPF concurs with Recommendation 2. The MIHPF has read thru the "Draft" labeled copy and we have been told the study went as far as it could with the funds in the State grant, which funded it. Certain tests on brick could not be completed. The Draft was re-labeled "final" and presented to the City planning department, who accepted the document. No official review/action has been completed at this time. The purpose of the Report, as described in the State Grant that funded it, was to develop Long Term Plans for the care of the Chapel. The MIHPF will review the report in detail, and summarize the recommendations for further consideration of needed action. The Chapel and grounds have been instrumented for vibration by Lennar Mare Island, LLC during deconstruction work on Building 866. No significant vibration data have been recorded as of this date. (Appendix items 2, Chapel & Windows sample photo.)

Finding 3- Under existing agreements, Lennar is in the process of transferring title of St. Peter's Chapel, Quarters A and B, and Building 46, to the City of Vallejo

Recommendation 3- The City of Vallejo should ensure that these properties are conveyed to the City of Vallejo as soon as is feasible.

MIHPF Response - MIHPF concurs with the Grand Jury recommendation. Lennar was to transfer the property within 60 days after the State Department of Toxic Substance Control issued a "no further action required certification" The transfers are behind schedule.

Finding 4- The City of Vallejo has entered into long-term lease agreements with the Mare Island Historic Park Foundation to manage St. Peter's Chapel, Quarters A and B, and Building 46, and as part of these leases, has placed the responsibility for capital improvements, repairs, maintenance, and Mare Island common area project expenses and operating costs, including Community Facilities District 2002-1 assessments on the Foundation.

Recommendation 4a- The City Vallejo should perform a financial and performance audit of the Mare Island Historic Park Foundation to determine whether the Foundation has sufficient financial resources, expertise, and staffing to continue operating and managing these historic buildings.

MIHPF Response 4a - The MIHPF partially concurs with the Grand Jury's recommendation because the Foundation is in full compliance with the terms of the Memorandum of Understanding (MOU), and the Leases for the historic properties between the MIHPF and the City of Vallejo since the leases were executed, beginning in 1995, to date. The agreements include monitoring provisions. The MIHPF continues to seek additional funding and expertise.

Recommendation 4b- The City of Vallejo should consider one or more of the following options:

- 1) Limiting the Foundations's operations to a portion of its current activities; 2) issuing a request for proposals to locate another operator for all or a portion of the historic resources now being
- 2) managed by the Foundation; 3) studying the feasibility of having certain portions of the historic properties transferred to a federal or state entity, such as the Golden gate National recreation Area, which may be better able to preserve, maintain, and operate these landmark properties.

MIHPF Response 4b- The MIHP does not concur with 4b 1) nor 4b 2). The MIHPF was formed because no other parties, including the City of Vallejo, nor any other agency made any plans to make available to the Public the National Historic resources of Mare Island. The historical artifacts would have been shipped to a warehouse in Virginia, and the properties would have been transferred permanently to the developer for sale. Further, the Foundation's services and notices to the City have improved the condition/care of the Historic (1856) Mare Island Cemetery. The MIHPF has taken exceptional care to see that the properties are suitable for public access, viewing, and education.

The MIHPF concurs with 4b 3), and would consider relinquishing control of properties to agencies that would agree to permanently continue the Mission of the MIHPF. The MIHPF would continue to provide support to the agency as has been accomplished at the John Muir property. However, no such agency has been identified at this time.

The MIHPF has had many successes, some have added to the historic artifact properties displayed by the MIHPF. The MIHPF's Executive Director, alone, was responsible for convincing the US NAVY to donate the Sail and Control Room, including periscopes, of the USS VALLEJO, for display at Mare Island. The MIHPF has arranged for a National treasure, the LCS (L) 102, a WWII gunboat to be brought to Mare Island for display. The vessel is expected to arrive about 25 September 2007. This ship is the only one of its class still complete as it was in WWII. The conversion of Building 46 into a Museum was a great economic success.

Finding 5- In many communities, including the City of Vallejo, museums and similar non-profit activities are often supported wholly or in part with public funding. Although the Mare Island Historic Park Foundatoion pays no rent for St. Peter's Chapel, and \$1 per year in rent for Quarters A, Quarters B, and Building 46, the Foundation must nevertheless pay Mare Island common area project expenses, operating costs, and assessments to the City, amounting to over \$150,000 per year.

Recommendation 5- Whether the City of Vallejo decides to continue its current arrangement with the Mare Island Historic Park Foundation or to seek another or additional operator to maintain and operate these historical sites, the City of Vallejo should eliminate or substantially mitigate the Island operating expenses and assessments presently paid by the Foundation or by any future non-profit operator.

Recommendation 4b- The City of Vallejo should consider one or more of the following options:

- 1) Limiting the Foundations's operations to a portion of its current activities; 2) issuing a request for proposals to locate another operator for all or a portion of the historic resources now being
- 2) managed by the Foundation; 3) studying the feasibility of having certain portions of the historic properties transferred to a federal or state entity, such as the Golden gate National recreation Area, which may be better able to preserve, maintain, and operate these landmark properties.

MIHPF Response 4b- The MIHP does not concur with 4b 1) nor 4b 2). The MIHPF was formed because no other parties, including the City of Vallejo, nor any other agency made any plans to make available to the Public the National Historic resources of Mare Island. The historical artifacts would have been shipped to a warehouse in Virginia, and the properties would have been transferred permanently to the developer for sale. Further, the Foundation's services and notices to the City have improved the condition/care of the Historic (1856) Mare Island Cemetery. The MIHPF has taken exceptional care to see that the properties are suitable for public access, viewing, and education.

The MIHPF concurs with 4b 3), and would consider relinquishing control of properties to agencies that would agree to permanently continue the Mission of the MIHPF. The MIHPF would continue to provide support to the agency as has been accomplished at the John Muir property. However, no such agency has been identified at this time.

The MIHPF has had many successes, some have added to the historic artifact properties displayed by the MIHPF. The MIHPF's Executive Director, alone, was responsible for convincing the US NAVY to donate the Sail and Control Room, including periscopes, of the USS VALLEJO, for display at Mare Island. The MIHPF has arranged for a National treasure, the LCS (L) 102, a WWII gunboat to be brought to Mare Island for display. The vessel is expected to arrive about 25 September 2007. This ship is the only one of its class still complete as it was in WWII. The conversion of Building 46 into a Museum was a great economic success.

Finding 5- In many communities, including the City of Vallejo, museums and similar non-profit activities are often supported wholly or in part with public funding. Although the Mare Island Historic Park Foundatoion pays no rent for St. Peter's Chapel, and \$1 per year in rent for Quarters A, Quarters B, and Building 46, the Foundation must nevertheless pay Mare Island common area project expenses, operating costs, and assessments to the City, amounting to over \$150,000 per year.

Recommendation 5- Whether the City of Vallejo decides to continue its current arrangement with the Mare Island Historic Park Foundation or to seek another or additional operator to maintain and operate these historical sites, the City of Vallejo should eliminate or substantially mitigate the Island operating expenses and assessments presently paid by the Foundation or by any future non-profit operator.

MIHPF response: The MIHPF concurs with the Grand Jury's recommendation. The MIHPF was never given details of what taxes were to be levied by the adding of the word "tax" to the renewal leases. The MIHPF was lobbying the Council to eliminate the "tax" when the City sent the MIHPF a letter threatening to "shut down our entire operation if we did not sign" the lease. Our legal advisor stated: "sign the agreement and continue working with the Council so we do not become in default." The tax was locked in without any knowledge of the taxing formulae, or magnitude. It seemed safer to sign than be closed down and end our mission. Three Councilpersons tried to help eliminate or reduce the tax, and only then did they discover how the tax was "locked in by the Staff-Created Mello-Roos tax City Ordinance." The City claims that the tax is the result of City Council goal to "create a self-sustaining and multi-use community." This resolution was not an ordinance, and did not say that Mare Island's were to also pay for services in non-Mare Island parts of the City. It has been stated "80% of the "tax" costs are due to Police and Fire costs." It is clear that services are provided every day to the non- Mare Island parts of the City which are paid for by Mare Islanders.

Finding 6- The U.S. Navy has loaned the Mare Island Historic Park Foundation naval artifacts for display in Building 46 and other buildings on Mare Island, with the condition that the City of Vallejo be a co-borrower. The U.S. Navy has expressed concern that the Foundation is not meeting its obligations under this agreement.

Recommendation 6a- The Mare Island Historic Park Foundation should comply with the requirements of the Navy for loan of naval artifacts, including proper and prompt reporting, hiring of a full-time curator, better care and display of artifacts, and sufficient insurance.

MIHPF Response: - The MIHPF partially concurs with the recommendation and the concept of attempting to satisfy the Navy's constantly changing requirements, We were in full compliance during the first 5-year Navy loan agreement that expired in 2004. The Navy had accepted the services of Curator James Kern in lieu of a "full time" person. It is incorrect to give the impression that the MIHPF has been habitually late with inventory deliveries because of a one-time incident when the inventory was completed on time, but was forwarded to the Navy after the deadline. The current specification for the inventory requires that 25% of the items be photographed each Year. The MIHP sent photo samples to the Navy on June 30, 2007. We have not yet had a response to our request for comments as of this date. The insurance requirement was dealt with in 1996, now there is a new requirement, which needs to be dealt with. The Navy admits they do not have any experience with insurance for a large collection. The MIHPF has engaged a consultant, Sara Conklin, to determine what the options are and to discuss the recommendations she develops with the Navy, including all other issues the Navy has raised. See Ms Conklin's resume in Appendix item 3. The MIHPF is interviewing candidates for the full-time Curator position.

Recommendation 6b – Should the Navy determine the Foundation is in default and require the City of Vallejo to manage the artifacts or return them to the Navy, the City should consider issuing a request for proposals for a caretaker that has the financial stability and professional experience to oversee the Museum and to care for the artifacts.

MIHPF Response: - The MIHPF partially concurs with the Grand Jury in that the City should not permit the Museum to be abandoned in any way, however, it is important that the entire MIHP be continued as the minimum true representation of Mare Island's history available to the General Public. It should be noted that the City has never before proposed to take any interest in directly being responsible for the MIHP. All agreements between the MIHPF and the City require all funding and management to be the sole responsibility of the MIHPF. These policies have never been debated by the City Council in public meetings or open forums. The MIHP is important for future generations education to be cavalierly eliminated as has previously and currently proposed, without the General Public's input.

Finding 7 – The Mare Island Historic Park Foundation is dependent on volunteers and does not have adequate financial resources or professional staff to sustain its long-term objectives. Financial shortfalls are subsidized by personal loans and generous donations from a few Foundation board members. The promotion and marketing of St. Peter's Chapel and Quarter's A and B as sites for weddings, receptions, social events, or sightseeing are inadequate. The general public is mostly unaware of and can't easily tour these historic sites. Once on the Island signage to the historic properties is either non-existent or minimal. The Navy artifacts at the Museum in Building 46 are not maintained and displayed at modern museum standards.

Recommendation 7a – If the Mare Island Historic Park Foundation is to continue as caretaker and manager over these public trusts, it should develop realistic business and operational plans that provide for the long-term financial support necessary to maintain, preserve, and promote the Historic sites. To assist the Foundation in developing these plans, it should seek assistance from other museum experts such as the American Museum Association and its Museum Assessment Program (MAP).

MIHPF Response: - The MIHPF partially concurs with the recommendation because the Grand Jury did not do an in-depth study of the MIHPF operations, finances and promotion /advertising activities. Whenever the MIHPF needed money to accomplish a project or event, the funds were always available. Over the last 11-years several business plan updates were submitted and accepted by the City. The current business plan is comprehensive, in addition, we are constantly applying additional effort to increase income. The Business Plans are based upon the need to accomplish the MIHPF's Mission Statement. The MIHPF is not in default of any of the Leases with the City. The MIHPF's Executive Director is a member of the American Museum Association, and is processing an application for MIHPF membership. The Grand Jury did not review the full depth of the MIHPF's promotional and advertising activities. Many are listed in the response to 7c finding below. (Appendix item 4, Samples of promotional and advertising.)

The Grand Jury criticizes the fact that the Board of the MIHPF is very supportive of the MIHPF by helping to provide the unusual level of funding required by City action. The MIHPF's Executive Director has attended several training courses provided to Boards on which he has served. All these training sessions emphasized that major financial support should come from Board members. The Grand Jury did not appear to record testimony that the so-called loans were only temporary advances, not true Loans. Also, that no interest was ever paid on any "loans." (Appendix Item 5, latest financial statement of the MIHPF)

Recommendation 7b – The Mare Island Historic Park Foundation should hire one or more persons, including a museum curator and staff experienced in accounting, administration, fundraising and promotion.

MIHPF Response: - The current MIHP partially concurs with the recommendation because the current staff has great experience in the fields of management, finance, promotion, advertising, and planning. This is over an experience period of over 45 years of proven success. Considering the handicaps the MIHPF has endured, the performance of continuing success in accomplishing the Mission of the MIHPF is laudable. The recommendation to hire more people is impractical, due to the constraints of the CFD charges heaped upon the MIHPF. As stated before, the MIHPF is interviewing candidates to determine if a Curator can be hired within reasonable cost.

Recommendation 7c – St. Peter’s Chapel, Quarters A and B, and the Museum should be accessible to the public. The Mare Island Historic Park Foundation should adopt and publicize when these historic sites are open to the public.

MIHPF Response: - The MIHPF partially concurs with the recommendation. Tours, Weddings, Funerals, Memorials, concerts, and Baptism programs make good use of these properties throughout the year . The properties are available 7 days each week. The security requirements to safely operate the properties mandates MIHPF personnel be on site when any persons visit or attend events. Advertising of all types is used, including magazines, yellow pages, 8 web sites in addition to the MIHPF site. Also many promotional pieces have been printed in newspapers all over the Bay area and in Sacramento. Almost 600,000 Brochures have been distributed. Membership in the San Francisco and Vallejo Convention and Visitors Bureaus provides distribution of brochures, and publications that reach event planners and tour companies. Another way of promotion is in special newspaper pages for weddings. The Times-Herald in Vallejo has issued the MIHPF plaques the last 2 years, as “Best Place to Hold a Wedding”, by a vote of the readers. Some loss of Chapel business has occurred because the Catholic Archdiocese in Sacramento has told priests that they must conduct all weddings at the parishes. Another change is that more clients are opting to have their ceremonies and parties at the Mansions, and not using the Chapel. One thing we are trying to do is “recapture” the bulletin board we had use of in the Ferry Building in Vallejo. We had all our information there for about 6 years. One day we found the board was removed and replaced with an ad panel. We are contacting the City’s asset manager to see if we can get another place in the Ferry Building. The MIHPF has had a poster at 6 Flags-Discovery Kingdom Park. The MIHPF had displays in 2 buildings at the recent Solano County Fair. The MIHPF was awarded a Red Ribbon for the McCormack hall display. 2007 was the 3rd year we have had a booth at the Fair. We have had info at the California State Fair for several recent years, and have a rack card dispenser at the San Francisco Ferry Building in the Bay Crossings” booth, as well as the Port of San Francisco Office Building. AAA travel sections have our literature in 4 Cities, and we hope to soon have a distribution to all of their offices. Title and real estate offices have our info for new arrivals. All the Vallejo ferryboats (Baylink), carry our literature. Our rack cards are in 500 hotels and 4 Visitors’ centers in Northern California including Pier 39. Our work with the 4H group training and the Boy Scout pinewood derbies brings many people to our properties.

The MIHPF is investigating new ideas every day. Some of our volunteers are planning fundraiser event dances to benefit the MIHPF. The MIHPF will continue to add new contacts that will reach new clients. Our advertisements in the famous book "Here Comes the Guide" and the virtual tour of Quarters A on their web are very powerful in obtaining Wedding clients. This is not an exhaustive list of marketing and promotion, but a good percentage of those used.

Recommendation 7d – The Mare Island Historic Park Foundation should improve the marketing of St. Peter's Chapel, Quarters A and B. and the Museum.

MIHPF Response: - Access to the properties and marketing are hand in hand. See above response to 7b.

Recommendation 7e - The City of Vallejo should work with Lennar and the Mare Island Historic Park Foundation to ensure that there is better signage directing visitors to St. Peter's Chapel, Quarters A and B, and the Museum.

MIHPF Response: - The MIHPF concurs with the recommendation. Lennar, Mare Island, LLC has not followed up on many requests for signage ("We'll consider it") The MIHPF is now in the process of applying directly to the City Planning Dept. for several signs. Lennar has put up a few signs in the category of small "detour" signs due to road blockages.

Recommendation 7f – The Mare Island Historic Park Foundation website should be expanded to include specific information on St. Peter's Chapel, the Quarters, and the Museum, including reservation information for the Chapel and the Quarters, and hours of operation for the Museum.

MIHPF Response: - - The MIHPF will continue to expand/improve its' web site. The current web site does have all the basic references to the activities and contacts necessary. Many of the uses of the properties require the use of contracts that are designed to protect the properties during use. There are specific contracts for each type of property and each special usage. It is important that the clients contact the responsible staff to fully appreciate the terms of use. The many cooperating websites have been extremely helpful in gaining new clients. To see some of these, and articles about the MIHP, just search on the web for Mare Island Historic Park.

Finding 8 – The City of Vallejo and the Mare Island Historic Park Foundation are required to carry insurance coverage for the historic properties on Mare Island and for the Naval artifacts on loan from the Naval Historic Center.

Recommendation 8 – The City of Vallejo should evaluate the insurance coverage currently maintained by the Mare Island Historic Park Foundation and by the City to ensure that there is sufficient coverage for the historic buildings and the Naval artifacts.

MIHPF Response – The Foundation concurs. Please note the artifact insurance matter is under review by consultant Sara Conklin as mentioned above in the MIHPF response to Finding 6a.

Finding 9 – Under the agreement between the City of Vallejo and the Mare Island Historic Park Foundation relating to the loan of Naval artifacts, the City must appoint one or more representatives to serve as ex-officio members on the Foundation’s board of directors.

The representatives appointed by the City, have seldom, if ever, attended the Foundation meetings.

Recommendation 9 – The ex-officio member or members appointed by the City of Vallejo should attend meetings of the Mare Island Historic Park Foundation on a regular basis.

MIHPF Response: - The MIHPF concurs.

Sincerely,

Kenneth A. Zadwick, President

Attachment: President’s Business and Community Service Resume.